

25X1

4 August 1948

MEMORANDUM FOR THE DIRECTOR, CENTRAL INTELLIGENCE

ATTENTION: Brigadier General E. K. Wright
Deputy Director

SUBJECT : Administrative Support for CIA

1. Reference my memorandum for the Director, Central Intelligence, dated 28 July 1948, subject, same as above. When this office submitted reference memorandum, no discussion accompanied same as it was my understanding that only an objective proposal was desired.

2. In view of the discussion contained in memorandum from the Executive for Administration and Management, dated 2 August 1948, I discussed with Admiral Hillenkoetter the possibility of presenting some arguments to refute those advanced by [] I designated [] to prepare this discussion.

3. I enclose herewith a report from [] which has my complete concurrence and approval.

4. In connection with this proposed survey, it is interesting to note that some of the personnel from the Office of Administration and Management have visited the Office of Special Operations and discussed administrative reorganization as if same were an accomplished fact. It has been my desire to prevent discussion throughout this office about any such matters until the Director has arrived at a decision on the future policy for administrative support. I feel that indiscriminate discussion and free-wheeling on the part of such individuals from the Office of Administration and Management indicate a lack of appreciation for security of sensitive information.

Assistant Director
Special Operations

Encl: 1 report with attachments

HISTORICAL DOCUMENT

Destroy only with consent
of the Historical Staff

Name []

Date: 12/15/66

SECRET 25X1

SECRET

3 August 1948

MEMORANDUM FOR: ASSISTANT DIRECTOR, SPECIAL OPERATIONS

SUBJECT: Administrative Support for CIA.

1. Summary of the Problem

a. Pursuant to your instructions, I have carefully reviewed all pertinent papers and all considerations incident to the problem of administrative support for covert activities of CIA. The following papers attached hereto were considered:

(1) Memorandum from the Director, 21 July 1948, Tab A, directing you, the Executive Director, Executive for A & M, and the Executive for I & S to consider as a committee and report the best method and means for administrative support of CIA, with particular regard to the implementation of a second covert office under NSC 10 and to the possibility of elimination of duplication consistent with security because of the scrutiny of CIA by the Hoover Commission, the Dulles Committee, the Budget Review Board, etc.

(2) Memorandum to the Executive Director from the Executive for A & M, 26 July 1948, Tab B, reporting a discussion between the Executive for A & M and the Assistant Director for Special Operations in which it was agreed domestic security functions could be consolidated, but there was disagreement on consolidation of other administrative support functions.

(3) Memorandum to the Director from the Executive Director, 2 August 1948, Tab C, reporting upon the progress of the Committee (Tab A). His report stated the Committee agreed upon the consolidation of domestic security functions under the Executive for I & S. However, the Assistant Director for Special Operations and the Executive for A & M disagreed on consolidation of other support functions under the Executive for A & M, and that he was forwarding their views in memoranda prepared by them for final determination by the Director. Memorandum from the Assistant Director for Special Operations is attached as Tab D and that from the Executive for A & M as Tab E.

SECRET

SECRET

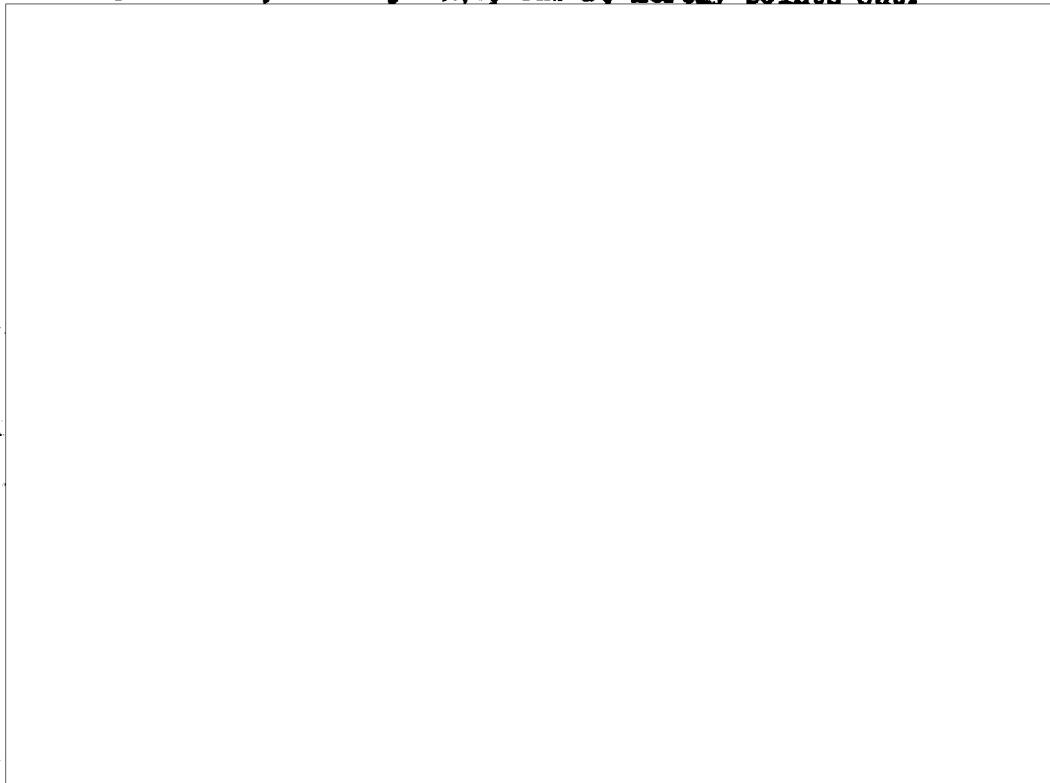
2. The Area of Disagreement

a. The Position of the Assistant Director, Special Operations

25X1

(1) [] stated that he was directing the Assistant Director, Special Operations and the Executive for A & M to present a brief, factual summary of their divergent views in separate memoranda for the Director without recourse to lengthy explanations or reasons. The memorandum of the Assistant Director, Special Operations, 28 July 1948, Tab D. merely points out:

25X1



(2) The system of having support for covert activities under an overall administrative unit has been thoroughly tried out for a period of over a year in 1946-47 and found completely unsatisfactory. [] a regular Army officer, directed this unit. [] with a new title, succeeded [] Despite the best efforts of all concerned under the direction of [], the old system did not work, and the present system for support of covert activities was approved by the Director upon the recommendation of General Wright and adopted in the summer of 1947. Since that time there has been a vast improvement in the support of covert operations, thereby facilitating the conduct of these operations which is, after all, the important phase of the business. It is to be noted that

25X1

25X1

25X1

25X1

SECRET

25X1

[] heartily concurred in the new system at the time. I have personally thoroughly explored the matter of administrative support of covert operations and am of the fixed opinion that this support must be intimately associated with the operations and that both must be directed by the same person. I am sustained in this view by []

25X1

25X1

[] and all others of the organization who have had experience in the conduct of covert operations. Accordingly, I am of the fixed view that your recommendations for the support of covert operations are sound.

b. The Position of the Executive for A & M

25X1

(1) The views of [] reference administrative support are set forth in his memorandum to the Director of 2 August 1948. Since this memorandum deals in personalities, contains allegations of comparative inefficiency by OSO administrative personnel, stoops to rather unpleasant connotations concerning loyalty, indicates a rather bald grab for more authority by [] and, in general, reflects faulty logic; it seems necessary to examine this document critically and in some detail.

25X1

25X1

(2) [] proposes that separate administrative support for covert operations be abolished and that all support activities except security be centralized under his control. He contends that Communications, [] Personnel, and Transportation and Services should be immediately transferred to Branches of Administration and Management; and that Registry be transferred to OGD and [] to Services Branch, A&M, provided study of their support functions so warrants. In support of his position, [] makes the following major points which I shall examine in some detail:

25X1

(a) That NSC 10 intends the setting up of an additional covert office apart from OSO with an Assistant Director on the same level as others and responsible to the Director and with access to him (correct), and that the setting up of a staff officer to coordinate the operations and administrative support of [] offices would, through a reorganizational subterfuge, violate the express intent of NSC 10. Also, that a covert administrative staff chief on the same level as the Executive for A & M is viewed with alarm. It seems to me that [] forgets he is only a staff officer, and if he was responsible for supporting the two covert offices he would function as such. I fail to see how a staff officer who functions only in the name of the Director to coordinate operations and support for the covert operations is any more a violation of NSC 10 than for [] or any other staff officer to function in a staff capacity. [] misses the point

25X1

25X1

SECRET

25X1

25X1

25X1

completely--the idea of this staff officer was to relieve the Director's office of detail and would, of course, not preclude access to the Director by his assistant directors any more than any other staff officer now does. [redacted] implies that the Executive Director should supervise administrative support for the covert activities if [redacted] does not. Again he misses the main point--namely, that administrative support for covert activities must be supervised by the person directly concerned with the coordination and direction of all covert activities. It is, of course, the prerogative of the Director to do this himself, or to appoint a staff officer to relieve him of part of the task. This staff officer could well be the Executive Director provided this official has sufficient experience in the conduct of covert operations; that someone might be on the same level as [redacted] seems completely beside the point.

25X1

25X1

25X1

25X1

25X1

25X1

25X1

25X1

25X1

25X1

25X1

(b) [redacted] next goes into how secure he and his subordinates are, how his A & M people are better qualified than OSO administrative people, and how economy and increased efficiency would result if all administrative support were centralized under [redacted]. As to the first point, this problem is not a consideration of individual security. As to the second point of relative efficiency, this is a problem of organization to do a job and not a matter of individual proficiency; however, I know most of the personalities involved, and in my mind I seriously doubt [redacted] statement. For my money, [redacted] a wartime Colonel and retired Master Sergeant, [redacted] who spent the war in the IG office in Washington, [redacted] who is incompetent, and the other principals in A & M, have about all they can handle now and are certainly not superior to such men as [redacted] (retired for wounds in action), [redacted] and the others who have so much improved the administrative support of OSO. Also, [redacted] and company generally lack operational experience in covert activities. As to the third point, centralization does not per se result in increased efficiency and economy. More often the reverse is true.

(c) [redacted] further expresses the fear that the Dulles and Hoover groups may recommend covert operations be taken away from CIA, and this is more likely to happen if covert activities are supported by an autonomous administrative unit than if [redacted] runs all administration. This point of view is too puerile to warrant much comment. However, what we are trying to do is run an operationally sound intelligence organization. If we thereby tempt the Dulles group to lift out covert activities because these are cohesive and thereby efficient, I vote for efficiency and not fear of outside pressure.

SECRET

25X1

Again I feel [] misses the point. In my opinion the Dulles committee are conducting a well planned operation, with Baldwin as the open mouthpiece with the "Times" articles to oust the military from control of CIA. If one assumes connection between Baldwin and this group as I do from reading the articles, then this intent is clearly expressed in Article IV of July 24. Mr. Baldwin expresses the same view in his chapter on Intelligence in his recent book, "The Price of Power." It would seem that Mr. Dulles advised Baldwin on this chapter--at least he quotes him. Provided the purpose is to oust the military and it succeeds, [] is a military man, at least a Master Sergeant. He has already been mentioned in orders in the articles as he points out in his paper. Blowing up his activities still further would hardly, as he contends, save covert operations for CIA. As a matter of fact, Baldwin, in his book, same chapter, page 213, points out the danger of bureaucracy by saying that if the intelligence services ever become bureaucracies, we are lost. In his articles in the "Times" he sustains this view by reference to A & M. Moreover, in the same chapter of his book, page 211, he strongly contends that CIA should collect information as well as evaluate it and should keep the covert activities. This would seem to support my view that Baldwin and the Dulles group have no real desire to take away covert activities from CIA, but are more interested in supplanting military control with civilian control.

25X1

25X1

(d) [] argues at some length that CIA should retain control of covert intelligence operations. With this I heartily agree, although I find some of his points somewhat confusing and believe a better defense can be prepared by people experienced in the intelligence business, if one is needed. However, I don't see what all this has to do with increasing [] responsibilities.

25X1

25X1

(e) Prior to making his recommendations (which were summarized above), [] states that his only motivation is complete loyalty to the Director and CIA, and he is giving objective opinion of action necessary to support the Agency in meeting its current problems. He also mentions that consolidation under him would provide budget flexibility. As to loyalty--this should be presumed; I do not get his point unless he feels he is more loyal than you or others and is thereby better qualified to run things and judge what is best for CIA. In this regard, General Wright brought [] into CIA, and I wonder why [] is in such a hurry to change the organization in Wright's absence. Perhaps I am unduly suspicious, but I cannot but help feeling that some of the motivation is getting increased power and authority for [] and his subordinates, thereby making their jobs more secure and protecting their salary ratings. I believe [] stated in one of your committee meetings that this was necessary or some of his people might have to accept a reduction. If I am wrong, then I must conclude that [] has an exaggerated idea of his knowledge of intelligence matters, gained in a years

25X1

25X1

25X1

25X1

25X1

25X1

time. As to the budget, the Director (but not [redacted]) has complete authority over all funds of this Agency and can use them at his discretion to meet the change in needs as the world situation changes.

3. Conclusions and Recommendations

As I am leaving shortly, I feel that my opinions can only be objective. Also, I have the good of CIA, an Agency vital to the security of the U.S., at heart. Moreover, I hope my loyalty to the Director and my other superiors can be assumed. With regard to administrative support for covert operations, it would be most unwise to separate this support from the control of those who direct operations and place it under [redacted] or anyone else in his position. The present administrative and services unit of OSO can readily become the unit to support both covert offices. It is improving steadily and has the vital operational "know-how". Besides, this is the only sound system. If it is absorbed by [redacted] and his Branches, morale will suffer, confusion will ensue, and covert operations will suffer.

I strongly urge and recommend the system of support for covert offices advocated by you be defended with all means at your command and the overall A & M system be avoided at all costs.

25X1

